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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 11/20/08

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- (1) Editorial: APEC is a good opportunity for Japan to demonstrate its presence

An Asia-Pacific Economic Cooperation (APEC) forum meeting joined by 21 Pacific-Rim nations has started in Lima, Peru. The Pacific Rim is the center of the global economic growth. It is significant for leaders and cabinet ministers of the region to gather at a time when the financial crisis is jolting the world.

The major focus of attention at the meeting is what approach to take to the financial crisis. Participants in the G-20 emergency financial summit, held last weekend, agreed to take various concerted actions in order to overcome the crisis. APEC member nations are also urged to come up with strong determination to stabilize the financial market in a cooperative manner.

It is difficult to expect the U.S. to display strong leadership, as a change in government will occur shortly there. APEC should serve as the best opportunity for Japan to demonstrate its presence to the international community. We want to see Prime Minister Taro Aso face the summit with the determination to lead discussions and bring together the various opinions.

When APEC was launched in 1989, Japan along with Australia played a leading role. Japan must not forget that enthusiasm, with which it set up a cooperative mechanism at a time when trade friction between Japan and the U.S. was fierce.

While the G-20 is a forum for industrialized countries and emerging countries, APEC is a framework for region-based economic

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cooperation. In order to stabilize the global economy as a whole, it is necessary for each region in the world to boost stability.

The APEC region, whose economy accounts for about 60 PERCENT of the global economy, is no doubt especially important. East Asia, the center of the APEC region, is called the growth center of the global economy, and yet its financial infrastructure, such as the bond market, has yet to be fully consolidated. There should be many tasks requiring deep discussion.

Stabilizing the financial system is not the only focus of attention. Now is the time to formulate measures to fortify the real economy. In order for that, it is essential to strengthen the free trade system whereby various countries open their markets and mutually provide new demand and business opportunities.

The multilateral free trade talks (Doha Round) under the World Trade Organization (WTO) are at a standstill. We should view this situation as very dangerous, as it will give rise to a rise of protectionism. We expect APEC leaders to stand together and indicate a strong will to bring progress in talks.

At the same time, it is necessary to pursue in-depth discussion on trade liberalization in the APEC region. The value of trade within the region amounts to 11 trillion dollars a year, accounting for about 50 PERCENT of global trade. In order to prevent the global economy from falling into an even more serious situation, APEC must speed up efforts for trade liberalization and economic cooperation.

(2) Editorial: M&As of foreign companies taking advantage of high yen

Mergers and acquisitions of foreign companies by Japanese companies are on the increase. Mitsubishi Rayon and NTT DOCOMO decided to buy or invest in foreign companies last week. Kirin Holdings revealed a proposal for acquiring an Australian soft drink maker, following the earlier agreement to buy an Australian dairy product manufacturer. These cases are worth noting as moves by Japanese companies to accelerate globalization.

Japanese companies lacked visibility in the global M&A boom over the

past several years. However, the situation has changed recently. The global M&A market is in a slump due to the financial crisis. However, the desire of Japanese companies to purchase foreign companies has grown even stronger.

According to Thomson Reuter, a leading U.S. financial information service provider, the total amount of acquisitions of and investment in foreign companies by Japanese companies between the beginning of this year and mid-November reached 62.6 billion dollars, 3.7 times higher than the corresponding period the year before. While M&As throughout the world have dropped 40 PERCENT from the previous year's level, Japan's aggressive activities in this area have been noticeable.

One reason for that is the strong yen. The strong yen is an impediment for the Japanese economy, which relies on exports. However, it works favorably for purchases of foreign companies. That is because the strong yen boosts the yen's purchasing power,

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enabling purchases of foreign companies at lower costs.

Another reason is the financial crisis, which is gripping the world. While European and U.S. companies and investment funds are running short of funds due to serious credit crunches, Japanese companies are flush with cash. Since they have enough cash in hand to buy foreign companies, their presence has increased. Trading houses and leading companies are reportedly receiving more M&A offers from overseas M&A brokers.

A wide variety of companies are in the list of companies that acquired or invested in foreign companies. Food manufacturers, such as Kirin Holdings, have until recently targeted the domestic market. However, they are now searching for new opportunities abroad amid the declining birthrate and the aging society on the domestic front. With the acquisition of a British company, Mitsubishi Rayon has become the largest acrylic resin material manufacturer in the world. It plans to strengthen its business base.

In some cases, M&As involve the risk of failure. NTT DOCOMO, which will invest more than 260 billion yen in Tata Teleservices of India, has had the bitter experience of having reported huge losses from investments in Europe and the U.S. A challenge for companies is to make sure that their M&As of foreign companies will lead to growth of their own companies.

(3) Financial crisis: Neutral Japan served to produce agreement in G-20 summit, giving consideration to emerging countries

TOKYO SHIMBUN (Page 1) (Full)  
November 20, 2008

"Only Japan made specific proposals. Thank you." The leaders of emerging countries expressed their gratitude to Prime Minister Taro Aso during break time on the noon of Nov. 15 at a financial emergency summit of the Group of 20 (G-20) nations, including Japan, the U.S., European countries, and emerging nations.

Japan announced that it would offer 10 trillion yen in loans to the International Monetary Fund (IMF), which serves as a "breakwater" to prevent states from collapsing in the fallouts of the financial crisis. For emerging countries, which Indian Prime Minister Manmohan Singh called "the most serious victims of the financial crisis," Japan's plan appeared to be a very effective assistance measure.

High on the agenda at the latest summit was the issue of strengthening international regulations and supervision of financial institutions. European countries insisted that the authority to monitor and regulate the activities of financial institutions should be given to the IMF, but the U.S. strongly opposed this idea. Emerging countries fiercely reacted to moves led by Western countries. In the summit that brought together the leaders of these countries, it was not easy to reach a conclusion. But Japan, stepping away from this leadership struggle, proposed utilizing the Financial Stabilization Forum (FSF) composed of industrialized countries' financial and fiscal authorities. Japan's proposals were

largely reflected in a declaration issued at the end of the summit.

Japan played a mediatory role between industrialized and emerging countries in the financial summit, focusing on "the real power" of emerging countries. The report issued by the IMF on gross domestic product (GDP) for 2009 estimates the average GDP growth rate of

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emerging countries at over 5 PERCENT , though noting growth would slow down, while it predicts that industrialized countries' GDP growth would turn negative.

Emerging countries are becoming indispensable for the global economy. Hopes have been pinned on them even to play the role of a buffer for the economies of industrialized countries, which are rapidly losing steam. Because Japan has not been directly affected by the financial crisis, it was able to take action without being involved in the emotional showdown.

It was only Japan that promised to offer loans to the IMF. Countries had anticipated China would also announce a pledge, but it didn't. When considering its austere fiscal conditions, it is very difficult for Japan to disburse 10 trillion yen. An international monetary source said, "Japan's views were accepted, but it was forced to pledge to pay money," as usual.

Prime Minister Aso said: "I believe the summit will be regarded as historic in the future." Other leaders also emphasized the positive results produced at the summit under the G-20 framework.

Even so, it is still unknown whether the G-20 summit will become a major framework for the future. A senior government official said with this cautious expression after the summit: "There were divisions of opinion. It has yet to be decided whether all the 20 countries would participate in the next round and what members would attend." Another negotiator also commented: "We had decided not to call the summit meeting 'G-20 summit', because it is not an established mechanism."

The G-20 leaders agreed to hold their second meeting by the end of April and confirmed to what extent their efforts make progress in containing the crisis, but the cause of the conflict between the industrialized and emerging countries has yet to be completely removed.

(4) Chairman, vice chairmen of Japanese Society for History Textbook Reform found to have given lectures at Joint Staff College

AKAHATA (Page 15) (Full)  
November 19, 2008

It was learned on Nov. 18 that three university professors, who had given lectures at the Joint Staff College for senior officers of the Self-Defense Forces (SDF), were at that time chairman and vice chairmen of the nationalistic Japanese Society for History Textbook Reform, which glorifies Japan's aggressive war. The three lectured on views of history and the state.

The course was created in 2004, when Toshio Tamogami, former Air Self-Defense Force chief of staff, was president of the Joint Staff College. Tamogami was recently dismissed from the ASDF chief of staff post over his essay justifying Japan's aggressive war.

Akahata reported on Nov. 11 that one of the three professors is Taisho University Prof. Atsushi Fukuchi, who was vice chairman of the Japanese Society for History Textbook Reform.

The two other professors, whose names were unveiled this time, are Hidetsugu Yagi, professor at Takasaki City University of Economics, and Akinori Takamori, guest professor at Takushoku University.

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Takamori and Fukuchi have taught at the college since 2004, and Yagi has been a lecturer since 2005.

In response to a request for an interview by this newspaper, Yagi said: "I have given many lectures at study sessions of the SDF on a voluntary basis. I don't remember whether I lectured at the Joint Staff College."

Yagi was the third chairman of the Japanese Society for History Textbook Reform.

On an SDF television broadcast program, Takato Sakagawa, former Joint Staff College Education Division chief and former Maritime Self-Defense Force Rear Admiral, said: "I and College President Tamogami made the curriculum of the course. On the TV program, Sakagawa explained about views of history and the state using a flip chart he made based on explanations by Yagi."

At that time, Takamori was vice chairman of the Japanese Society for History Textbook Reform. PHP's homepage, which is called PHP Interface, writes that Takamori takes charge of the course on views of history and the state at Joint Staff College. Regarding this, PHP says that since its homepage reprinted Takamori's background from his book called Book About Successive Emperors (published by PHP Bunko Books), it believes that Takamori looked at its homepage.

(5) Gov. Nakaima asks premier to consider local residents over Futenma relocation

OKINAWA TIMES (Page 2) (Abridged)  
November 20, 2008

TOKYO-The government held a meeting of governors yesterday at the prime minister's office. In the meeting, Okinawa Gov. Hirokazu Nakaima asked Prime Minister Taro Aso to consider Okinawa and listen to local views about the planned relocation of the U.S. military's Futenma airfield. "If so," Nakaima added, "there will be no problem about the current direction." With this, Nakaima asked for the government's consideration. Aso avoided making a clear statement.

"We have now entered into coordination in a better direction," Nakaima said, indicating that there would be progress in the realignment of U.S. forces in Japan, including a plan to move U.S. Marines from Okinawa to Guam, if the government considers Okinawa's views.

Referring to the future return of the sites of U.S. military facilities located south of Kadena, Nakaima said: "There are many dud shells. If we're going to use these sites actually, it will take time and money." With this, he asked the government to respond within the framework of postwar settlement. Concerning the Japan-U.S. Status of Forces Agreement (SOFA), the governor called for revisions to its environment-related provisions.

Aso only said: "The governor has been talking about this. However, we do not have an answer right now about this point."

(6) Okinawa needs to transmit vision to Obama administration: security forum

OKINAWA TIMES (Page 2) (Full)  
November 20, 2008

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The Okinawa Peace Assistance Center (OPAC) held a 29th meeting of its security review forum yesterday in Naha City, focusing on the Obama administration's policy toward Japan and Japan's diplomacy toward the United States. Takashi Kawakami, a professor at Takushoku University, and Toshiya Hoshino, a professor at the graduate school of Osaka University, were guest speakers. Referring to U.S. military base issues, they played up the importance of working out and transmitting new ideas from Okinawa to the incoming U.S. administration.

Kawakami said Obama would prioritize economic measures and pullout from Iraq. When it comes to his administration's Asia policy, he said the United States would go no further than to maintain order.

"If the Aso government cannot do what the United States wants, they (U.S.) would approach China," he said.

Kawakami also explained Obama's personnel network, saying, "It's a new administration with different values." He also took up the realignment of U.S. forces in Japan. In this regard, he said: "Everybody is tired in the war of attrition. It's a brand-new administration, so you should draw a new picture and present it directly from Okinawa."

Hoshino was seconded on loan to the Foreign Ministry from 2006 through 2008. He explained that he was once assigned to the Japanese Mission to the United Nations. Focusing on multilateral diplomacy, he suggested the need for Japan to consider not only security but also climate change, African development, and the current financial crisis in its security arrangements with the United States.

Hoshino also referred to Okinawa, indicating that Okinawa is now undergoing a sea change. He said: "The question is how to ride the waves of such a big change, so this is a very important time. The inconvenient reality Okinawa is now going through is unhealthy for the Japan-U.S. alliance." He added: "You should make them recognize the importance of Okinawa's role, and then you should try to fix such an unhealthy situation. It would be possible to get common understanding about that."

(7) ASDF displays cluster bomb before banned; ASDF hates to give up 'satanic weapons'

TOKYO SHIMBUN (Page 22) (Abridged)  
November 19, 2008

Cluster bombs disperse their built-in submunitions to kill or wound citizens indiscriminately. In May this year, the government agreed to an international convention that totally bans such weapons. On Oct. 19, however, the Air Self-Defense Force exhibited a cluster bomb when the ASDF held a parade at its Hyakuri base in Ibaraki Prefecture. The cluster bomb was on display there as a weapon that can be mounted on fighter planes. The question is why such an action that ignores civilian control occurred. "It shows that the Self-Defense Forces still does not want to give up its satanic weapons even though Japan is about to sign a ban treaty," one expert said, criticizing the ASDF for its display of a cluster bomb.

"The government has now decided to scrap Japan's cluster bombs," said Motoaki Kamiura, a journalist on military affairs. "But they displayed a cluster bomb there, and this shows that ASDF echelon officers think they need cluster bombs," he concluded

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Cluster bombs are munitions that contain dozens or hundreds of smaller submunitions or bomblets. They are dropped mainly from fighter jets, and widely scattered bomblets explode to indiscriminately kill or wound people and destroy such weapons as tanks. The cluster munitions, however, leave numerous bomblets unexploded on the ground, and these unexploded bomblets cause tremendous harm to civilians after the battle. The cluster bombs are therefore called "satanic weapons."

In Japan, the Air and Ground Self-Defense Forces have cluster munitions. The cluster bomb displayed at the Hyakuri base was a type that contains about 200 bomblets to kill or wound enemy troops in an area that is three times larger than a soccer ground.

In May this year, there was an international conference in Dublin. The conference adopted a cluster ban treaty with a concurring vote of 107 countries. Japan was reluctant about this treaty out of consideration for the United States, which had decided not to join the treaty. However, the then prime minister, Yasuo Fukuda, decided to support the treaty because Britain and France agreed. In December, a signing ceremony will be held in Oslo.

"The recent display of a cluster bomb is almost an infraction of civilian control. It was before signing the treaty, so it may not be a violation of the treaty. However, it is clearly questionable in

light of diplomacy." With this, Kamiura criticized the ASDF.

Japan maintains an exclusively defense-oriented policy. Accordingly, the ASDF had plans to use cluster bombs in order to repel landing enemy troops at the coastline. If cluster bombs are used in Japan, local residents living in that area could encounter damage from unexploded bomblets after the battle. For all that, the ASDF displayed a cluster bomb, which was "almost an infraction of civilian control." Why?

Kamiura explained: "Once they have weapons in their hands, they don't want to give them up. That's the SDF's mentality. It was clear at the time of Mr. Obuchi's decision."

"Mr. Obuchi's decision" dates back to 1997 when the then foreign minister, Keizo Obuchi, went ahead with a freeze on antipersonnel landmines for a landmine ban treaty in defiance of the GSDF's opposition.

In May this year, however, the then ASDF chief of staff, Toshio Tamogami, played up the necessity of cluster bombs, saying: "Japan is an island country with long coastlines. Cluster bombs are effective for defensive purposes." So saying, Tamogami constrained then Prime Minister Fukuda to reignite the 11-year-old argument. He was responsible for the air review this time.

Kamiura noted: "If you fly a fighter jet and drop a bomb, that would be effective in a battle. It's convenient and economical for the ASDF. But if you think you should have such weapons because the enemy has these weapons, that's the same as the United States that remains unable to prohibit guns even though people there are becoming increasingly critical of guns." He warned, "This kind of mentality will arrive at the advocacy of going nuclear."

(8) Anger, alert to terrorism

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SANKEI (Page 5) (Full)  
November 20, 2008

The fatal stabbing of a former vice health minister and his wife in Saitama and the subsequent knifing of another retired vice health minister's wife in Tokyo prompted police authorities to tighten security for health and welfare ministry officials yesterday to prevent a recurrence. The government suspects serial terrorist attacks. The ruling and opposition parties voiced anger and called for tightened security. However, there are also many challenges, such as how to ensure the safety of former health and welfare ministers and pension-related lawmakers. Political circles are also shocked all the more because the incidents occurred in the midst of public attention to health, welfare, and labor administration over pension, healthcare, and nursing care systems.

"We don't know yet if the two incidents targeted government officials or specific government offices, so I cannot say anything careless. But if we clearly find the two incidents to be terrorism, we will take resolute action as a matter of course." This comment came from Prime Minister Taro Aso yesterday evening.

The prime minister was dining with New Komeito President Akihiro Ota and other coalition party leaders on the evening of Nov. 18 when he was informed about the attack of Yasuko Yoshihara, the wife of Kenji Yoshihara, a former administrative vice health and welfare minister and the former director general of the Social Insurance Agency. Aso immediately told Deputy Chief Cabinet Secretary Iwao Uruma, who is from the National Police Agency, to conduct thoroughgoing investigations and tighten security. He was going to a hotel bar after that. However, one of Aso's aides advised him to go home because there were victims. Yesterday morning, Aso gave up taking his everyday walk around his private residence as he was asked by security police.

The ruling and opposition parties voiced anger at the incidents. The ruling Liberal Democratic Party and its coalition partner, the New Komeito, held a meeting of their secretaries general and Diet

affairs committee chairmen. One in the meeting said, "It's absolutely unforgivable." Another said, "If pension officials were targeted, it's terrorism that challenges democracy, and this is a serious problem."

Nothing is still clear about what lies behind the incidents. "I want our party's former Health and Welfare Minister Tsutomu Sakaguchi to take care as well," New Komeito Diet Affairs Committee Chairman Yoshio Urushibara therefore said, asking the police authorities to tighten security for former health and welfare ministers.

In the meantime, the Health, Welfare and Labor Ministry has advised its former ministers in written form to be careful. In the leading opposition Democratic Party of Japan (Minshuto), there were also worried voices suggesting the need to tighten security for DPJ Vice President Naoto Kan, who once served as welfare minister when the Hashimoto cabinet was in office.

One LDP lawmaker, once in the post of health, welfare and labor minister, was threatened over the telephone two months ago. This lawmakers said, "Those engaged in health and welfare administration can incur someone's hatred at any time, so we have to be careful." Another LDP lawmaker, who has also experienced the health and

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welfare portfolio, said: "It's probably terrorism. I told my wife not to answer home delivery."

There is also an LDP lawmaker who was a parliamentary vice health and welfare minister and worked with former Vice Health and Welfare Minister Takehiko Yamaguchi, who was fatally stabbed. This LDP lawmaker said: "I'm really sorry. There were two incidents, so I can't think the incidents happened to occur. We must find why."

Meanwhile, former Health and Welfare Minister Yuji Tsushima in the LDP said, "If dissatisfaction exploded because of criticism that almost cannot appreciate the Health and Welfare Ministry's job, and if that led to the unreasonable conduct, it's regrettable." He added: "People in the Diet says, 'That is bad, this is bad.' So the Diet is to blame. The news media creates such a tendency, so I want them to think about it."

The LDP will hold a meeting of its special committee on public security today to receive a report from the National Police Agency. At the same time, the LDP is also expected to discuss preventive measures and security for former health and welfare ministers and lawmakers related to health, welfare, and labor administration.

SCHIEFFER